HealthLine



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Could You Have ... **Too Much Insurance?**

Note—As of January 1, the plan names for the State's plans changed from PPO to OA (for Open Access) as they now use Great-West's Open Access network of providers.



You've got health insurance, but could it be that you're paying for more coverage than you need? Quite possibly, yes. People will do a lot to avoid spending money, but they often focus on one-time costs or the expense of individual items.

With insurance, people must also consider the *total* costs of their decisions. For employees, that means weighing their annual premium costs against other considerations such as convenience or the individual costs of healthcare services. In the chart below, notice the medical insurance choices for four employees (and spouses), the premium costs of those choices and the savings or additional costs relative to other plans.

Using the example of a routine visit to the doctor, Mr. and Mrs. Brown, who are in the OA-3000 deductible plan, will pay the full cost for the visit (unless it's preventive), which is typically around \$70. Mr. and Mrs. Rodriguez, enrolled in the OA-1500 deductible plan, will also pay \$70 for that visit. It is the nature of deductible plans that the member pays the full costs for services until the deductible is met.

In co-pay plans, members pay a set co-pay amount for services. For a routine doctor's office visit, Mr. and Mrs. Smith (in the OA-30 plan) and Mr. and Mrs. Johnson (in the Kaiser plan) will pay a \$30 co-pay. This is a \$40 savings over what the Browns and Rodriguezes pay for an office visit.

It can be painful to write a check for \$70 (or \$80 or \$100) to see a doctor, and the Smiths and the Johnsons have avoided some of that pain, but at what *total* cost? Compare the annual premiums paid by each couple.

- The Browns will only pay \$1693.60 in premiums for the year for their OA-3000 deductible plan, and the Rodriguezes will pay only \$2456.16 for the OA-1500 deductible plan.
- The Smiths will pay \$8285.50 in premiums for their co-pay plan, a difference of almost \$6600 over what the Browns pay and \$5800 over the Rodriguezes.
- The Johnsons will pay \$4245.36 for the year, a difference of \$2500 over the Browns, and almost \$1800 over what the Rodriguezes pay.

(see **Insurance** on page 2)

Employee/Spouse	Plan	Employee's Yearly Premium (Employee + Spouse)	Annual Savings or Additional Costs
Mr. & Mrs. Brown	OA-3000—Deductible plan	\$1693.60 (\$141.14/month)	\$6591.84 savings over OA-30 \$2551.68 savings over Kaiser HMO
Mr. & Mrs. Rodriguez	OA-1500—Deductible plan	\$2456.16 (\$204.68/month)	\$5829.36 savings over OA-30 \$1789.20 savings over Kaiser HMO
Mr. & Mrs. Smith	OA-30—Co-pay plan	\$8285.52 (\$690.46/month)	(\$6591.84) additional cost over OA3000 (\$5829.36) additional cost over OA1500
Mr. & Mrs. Johnson	Kaiser HMO—Co-pay plan	\$4245.36 (\$353.78/month)	(\$2551.68) additional cost over OA3000 (\$1789.20) additional cost over OA1500

(Insurance from page 1)

The money the Browns and Rodriguezes don't spend on premiums can still be used for healthcare costs, but in different ways, such as contributing to a healthcare flexible spending account (FSA), or even setting it aside in a separate savings account to be used only for healthcare. It should be noted that within the deductible plans, preventive care is covered regardless of whether or not the deductible has been met. Preventive care includes services such as annual physicals, routine mammograms, and well-child appointments for newborns.

For some, the convenience of a co-pay plan is important. It allows them to better predict costs for which they can budget money. For others, the costs of a co-pay plan might work in their favor. Co-pay plans may represent a better option for these two groups. But for a lot of folks, deductible plans could represent significant financial savings. Such plans require more work, as you are entrusted with the money you save (\$150–\$550 per month over co-pay plans). You have to decide how to save that money and apply it towards healthcare costs. And you have to manage the bills, the forms and any other paperwork related to healthcare costs. Currently, 54% of employees enrolled in one of the State medical plans are in deductible plans, so many have realized that these added responsibilities can be worth the savings.

The upcoming Open Enrollment will be the time to review your options, calculate the expenses and make your choices. Just be sure to look at the total costs of your decisions.

In Preparation for Open Enrollment, March is "Log-In Month"

The Department of Personnel & Administration (DPA) wants everyone to log in to the online Benefits Administration System (BAS) during the month of March in anticipation of the FY09 Open Enrollment in April (April 21–May 16, 2008).

Logging in now will help you remember your username and password and gives you the chance to review your current benefits, allowing you to better compare and research your options during Open Enrollment.

How to Log-In to the Online BAS

- Go to the Employee Benefits Web site—www.colorado.gov/dpa/dhr/benefits.
- Click on "Enroll/Change Benefits." This will take you to the Login screen.
- Enter your username and password and then click "Login."
- Unless you are a new employee, DON'T click on the "Register" button under "I am a first-time user."
- If you have forgotten or don't know your username or password, click on "Forgot Your Password?". This will lead you through a password recovery process.
- If you still have trouble, contact your department's benefit administrator. You will find a list of these administrators at the Benefits Web site under "Who is my Human Resources contact?".





Exercise— **Don't Believe the Hype**



When it comes to exercise, most people have heard so much hype and advice that it's overwhelming. What to choose and where to start? How much exercise—30 or 60 minutes? Everyday? What kind of equipment do you need?

The answer is that you don't need a lot of time or a lot of stuff. Don't look for a 30-minute window in your day. Instead, find a spare 10 minutes here and there. Don't spend a bunch of money on equipment and gym memberships when you can be active around the house and in the office. Don't get hung up on finding the "right kind" of activity. The right kind of exercise is something that you enjoy without getting hurt. It doesn't have to be one, regularly scheduled thing. Look for chances throughout the day for exercise. And remember, there's always walking, which is one of the easiest and cheapest forms of exercise.

Here are a few ways to sneak a little exercise into your days. You can probably think of 10, 20 or 100 more. Check out **www.americaonthemove.org** for more tips on walking and increasing your daily activity. Just know that anything is better than nothing.

• Walk to your colleague's office rather than calling or sending an e-mail.

- Skip the cart on the golf course.
- · Pull the sled up the hill for your kids.
- · Get your yard ready for spring planting.
- · Vacuum the house more often.
- Teach your spouse how to hit a backhand.
- · Use the copy machine on the next floor.
- Take all of the dishes to the sink yourself tonight.
- Take the long route from the parking lot.
- Teach your kids how to throw a baseball or catch a football.
- · Walk around when you're on the phone.

If you want to start a formal program or do more strenuous activities, check with your doctor first. Be sure you choose something you want to do and that you will enjoy doing. Remember, it's better to start small and build up gradually.

Exercise doesn't have to be a chore and it doesn't have to consume all of your time. Figure out what's best for you and look for small opportunities in your day to be more active.





The Power of **One Percent**

What is 1%? It's a small amount, usually too small to even notice. But what if you could turn that 1% into something bigger? Increasing your retirement savings by a measly 1% is an easy way to do your future a favor with money you'll hardly even miss.

It would be great to contribute an extra \$500, \$1000 or \$2000 each month to your retirement. For those living in the real world though, there needs to be a balance between today's expenses and tomorrow's retirement dreams. You want to contribute more towards your retirement, but you need to make sure there is enough money for things like the mortgage, food and gas.

Deciding to save 1% more this year lets you add a little to your retirement, but without having to make large sacrifices about today's money and expenses. Over the course of the year, that little bit will add up. Then you can try to increase by another 1% every year or with every raise. In five or ten years you will have added significantly to your retirement, especially considering a possible 4% to 8% return on your investments over time.



Retirement Corner

To help you meet your retirement goals, the State offers a 457 Supplemental Retirement Plan (similar to a 401(k) but for government employees) that provides an easy way to add to your basic retirement plan. It's easy to start or to make changes to your plan (like increasing your contribution by 1%). You can contribute a lot or a little (\$25 per month minimum) and you decide on your level of involvement in your investments.

Contact a 457 Plan representative at 1-800-838-0457, option #2, to get started in the Plan, or contact customer service at 1-800-838-0457, option #0, to increase your current contributions. You can also find more information and access the Plan's site at the Employee Benefits Web site—go to www.colorado. gov/dpa/dhr/benefits and click "Retirement."

A little more now could be a lot later.

Updates

- San Luis Valley HMO has a new Web site, www.slvhmo.com where you can find information on health and wellness, providers, claims and prescriptions. The link is also posted on the medical page at the Benefits Web site, www.colorado.gov/dpa/dhr/benefits. Those in the San Luis Valley HMO should take a look and give some feedback to the company.
- Remember: Open Enrollment for benefits is coming up! The dates are April 21, 2008–May 16, 2008. Open Enrollment is the annual opportunity for you to:
 - 1. Enroll in or change benefits
 - 2. Verify your demographic information, such as e-mail and home address
 - **3.** Verify dependent and beneficiary information.



FSAs—What are "Eligible Expenses?"

Flexible Spending Accounts (FSAs) are vehicles that can save you money on your taxes. There are two types of FSAs: Healthcare FSAs and Dependent Day Care FSAs. See the February issue of **Health-Line** for a brief overview of what they are and how they work.

If you are currently enrolled in a Flexible Spending Account (FSA), you probably already know you have only four months (until June 30, 2008) to incur reimbursable expenses this plan year. You may want to review the following information to see if you have or will have any of these expenses to claim. If you're not enrolled in an FSA, take a few minutes and review this short list of reimbursable expenses to help you decide if an FSA is a good choice for you in the coming Open Enrollment.

Common eligible Healthcare FSA expenses for you, your spouse and your dependent children

- Dental care
- Eyeglasses
- · Contact lenses (and contact lens supplies)
- Laser eye surgery
- · Chiropractic care
- · Hearing aids
- Lab fees
- Orthodontia
- · Physical therapy
- · Prescription drugs
- Eligible, over-the-counter (OTC) healthcare products (See the FSA Web site on the Employee Benefits Web site www.colorado.gov/dpa/dhr/benefits—and click on "Flexible Spending Accounts" for more information on OTC products.)
- Eligible charges not paid by your medical and dental plans are reimbursable through an FSA, including: deductibles, coinsurance and copayment amounts.

Eligible Expenses for Dependent Day Care FSAs

- Paying someone to care for a child under the age of 13 or for a family member that cannot care for him/herself (e.g., a disabled or elderly adult tax dependent), is a reimbursable expense.
 For example, eligible expenses for children include the costs for nursery schools, before and after school programs, and day care centers. However, the costs of tuition for kindergarten or higher grades are not eligible expenses.
- Only those day care expenses that enable you and your spouse (if married) to work are reimbursable.
- These are typically expenses that qualify for the Child Care Credit under Section 21(b)(2) of the Internal Revenue Code.
- Medical expenses cannot be reimbursed through a Dependent Day Care FSA, even if those medical expenses are incurred by a dependent.

These are not complete lists and there are many complexities regarding eligible expenses. You should review information about expenses before considering them eligible. Visit the FSA Web site on the Employee Benefits Web site—www.colorado.gov/dpa/dhr/benefits and click on "Flexible Spending Accounts"—for more information on eligible expenses. Look at "Qualified Medical and Dental Expenses, IRS Publication 502," "FSA Facts," "FSA FAQs" and the link to the State's FSA administrator, ASI (www.asiflex.com).

Review these expenses as you evaluate your needs under an FSA, either in the current year or with an eye towards enrolling in an FSA in the next plan year (FY09—July 1, 2008–June 30, 2009).



